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EXAMINER
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MILEF, ELDA G

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3692

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/882,304  
Filing Date: June 18, 2001  
Appellant(s): LUBKING ET AL.

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Arthur A. Smith  
For Appellant

**EXAMINER'S ANSWER**

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This is in response to the appeal brief filed 6/29/2007 appealing from the Office action mailed 11/2/2006.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

**(6) Grounds of Rejection to be Reviewed on Appeal**

**NEW GROUND(S) OF REJECTION**

***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

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Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1, 7, 13-14, 31 are rejected under 35 U.S.C. 101. Based on Supreme Court precedent and recent Federal Circuit decisions, the Office's guidance to examiners is that a § 101 process must (1) be tied to a machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In *re Bilski et al*, 88 USPQ 2d 1385 CAFC (2008); *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (the thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Here, applicant's method steps fail the first prong of the new Federal Circuit decision since they are not tied to a machine and can be performed without the use of a particular machine. Thus, claims 1, 7, 13-14, 31 are non-statutory since they may be performed within the human mind.

The mere recitation of the machine in the preamble with an absence of a machine in the body of the claim fails to make the claim statutory under 35 USC 101.

Note the Board of Patent Appeals Informative Opinion *Ex parte Langemyer et al*-

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The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(8) Evidence Relied Upon**

6,430,542	Moran	8-2002
2002/0023051	Kunzle et al.	2-2002

**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

Note: The after final amendment submitted by the Appellants on 1/29/2007 included the cancellation of claims 5, 6, 21, 22, 28, 29 which were rolled into the independent claims 1, 17, and 24. The rejection of the amended independent claims would therefore include the secondary reference and are rejected under 35 U.S.C. 103(a) as being unpatentable over Moran in view of Kunzle.

***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement

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thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

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Here, applicant's method steps fail the first prong of the new Federal Circuit decision since they are not tied to a machine and can be performed without the use of a particular machine. Thus, claims 1, 7, 13-14, 31 are non-statutory since they may be performed within the human mind.

The mere recitation of the machine in the preamble with an absence of a machine in the body of the claim fails to make the claim statutory under 35 USC 101. Note the Board of Patent Appeals Informative Opinion *Ex parte Langemyer et al*-  
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### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

1. Claims 1, 14, 17, 24, 31-33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Moran (US Patent No. 6,430,542).

**Re claim 1:** Moran discloses:

receiving customer information from an application database ("the Persistence subsystem 232 preferably interfaces with a relational database management system (RDMS)238...Preferably, FAS 10 allows inter alia client data to be entered...The exporting and importing of files between advisors is preferably accomplished by the exporting of a client as an 'economic group'...")-see col. 6 lines 21-67, and Figs. 2 and 4. It is obvious from the teachings of Moran that the databases maintained by the financial advisors contain customer information provided by the customer per requests from the financial product provider for information.;

analyzing the received customer information using a filter that categorizes a customer into a life status, wherein the life status corresponds to the customer's demographic classification ("In general, Economic Group 200 reflects the demographics

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of the group for which the planning is being done... Thus, Plan 235 preferably constructs those text, table, and graphic outputs desired in a financial proposal... The Economic Groups 200 subsystem is preferably the portion of FAS 10 which represents the target of the advisor's financial planning activities... FAS10 preferably further subdivides EG 200...into demographically narrowing classifications")-see col. 11 line 36-col. 12 line 28;

selecting, from a set of financial products, a first financial product for the customer based on said life status using a data structure that relates each life status type to a particular financial product ("While FAS 10 prefers only one EG200 exists per planning scenario...")-see col. 14 lines 35-42, and col. 15 lines 9-20;

monitoring, periodically, the customer information for changes; automatically revising, based on a change to the customer information, the customer's life status-see col. 14 lines 43-54;

selecting, from the set of financial products, a second financial product for the customer based on said revised life status using the data structure that relates each life status type to a particular financial product-see col. 14 lines 43-67, and "alternative view" col. 28 lines 45-65.

Also, see Figure 16 and related text.

**Re claim 14:** Moran discloses periodically receiving said customer information-see col. 13 line 36- col. 14 line 67, col. 23 lines 50-56.

**Re claims 17:** Further a system would have been necessary to perform the method of previously rejected claim 1 and is therefore rejected using the same art and rationale.



**Re claim 24:** Moran discloses a computer, with a memory having program instructions and a processor configured to perform the remaining steps of claims 1 and 17. –see Figs. 1, 2, 4 and cols. 6 and 7 and claims 1 and 17 above.

**Re claims 31-33:** Moran discloses a method, system, and computer for providing a financial product to a customer wherein the data structure comprises an algorithm.- see cols. 11-12.

2. Claims 5-7, 13, 21-23, 28-30 are rejected under 35 U.S.C. 103(a) as being unpatentable over Moran in view of Kunzle (PG. Pub. No. 2002/0023051).

**Re claims 5-7, 13:** Although Moran discloses offering multiple financial plans per group in col. 14 lines 35-42, Moran does not specifically disclose determining the creditworthiness of the customer; optimizing and offering said first and second financial products based on said creditworthiness. Kunzle however, teaches ("The system may also approve a customer for a recommended financial product...Preferably, these terms are set based upon the creditworthiness or financial condition of the customer...The system also enables customers to select and accept one or more other financial products from the one or more financial products recommended...")-see pars. 26 and 27. It is obvious that the invention disclosed by Kunzle is optimizing the first and second financial products because the system will approve the customer based on creditworthiness, therefore, the system will offer products that reduce credit risk to the financial institution. Furthermore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Moran to include

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determining the creditworthiness of a borrower as taught by Kunzle in order for the financial institution to reduce credit risk.

**Re claims 21-23:** Further a system would have been necessary to perform the method of previously rejected claims 5-7 and are therefore rejected using the same art and rationale.

**Re claims 28-30:** Further a computer would have been necessary to perform the method of previously rejected claims 5-7 and are therefore rejected using the same art and rationale.

**(10) Response to Argument**

Appellants' pre-KSR brief argues that there is no teaching suggestion or motivation to combine Moran and Kunzle et al. *KSR* forecloses Appellants' argument that a specific teaching is required for a finding of obviousness. *KSR*, 127 S. Ct. at 1741, 82 USPQ2d at 1396.

Claims 1, 7, 13, 14, 17, 23, 24, 30-33 recite combinations which only unite old elements with no change in their respective functions and which yield predictable results. Thus, the claimed subject matter likely would have been obvious under *KSR*. In addition, neither the Appellants' Specification nor Appellants' arguments present any evidence that modifying Moran with the selected elements of Kunzle was uniquely challenging or difficult for one of ordinary skill in the art. Under those circumstances, the Examiner did not err in holding that it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Moran to include the approving a customer for a recommended financial product based upon the creditworthiness of the customer, and the system enabling customers to select and accept one or more financial products from those recommended as taught by Kunzle to allow for the reduction of credit risk to the financial institution. Because this is a case where the improvements are no more than the predictable use of prior art elements according to their established functions, no further analysis is required by the Examiner. *KSR*, 127 S. Ct. at 1740, 82 USPQ2d at 1396.

Regarding the Appellants' suggestion that Moran does not teach or suggest a financial product. The Appellants' attention is directed to col. 1 lines 21-50 wherein

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Moran discloses that the preparation of a financial plan involves eventually conducting financial transactions for clients, and that financial advisors are aware of the financial products which are provided by his or her company in order to address the client's questions and concerns. Furthermore, Moran discloses displaying to the customer recommendations including specific financial products (Figure 49).

In response to the Appellants' argument that Moran does not disclose or suggest that a change in the economic group results in the "selecting, from the set of financial products, a first financial product for the customer... Using a data structure that relates each life status type to a particular financial product." The Appellants' attention is directed to col. 14, lines 35-54 wherein Moran discloses a financial advisory service (FAS) providing the generation of multiple financial plans per group. Moran further discloses ("As group members change over time (due to death, marriage, job changes, or the like), FAS 10 is configured to suitably notify other FAS 10 program elements of the changes. For example, when a group member gets married, the member's change in marital status may lead to change in the member's tax position and may necessitate an updating of the group's associated income tax goal. As shown in Fig. 16, FAS 10 preferably ensures these changes are accomplished by broadcasting the change in the Domain Object (the member's marital status) to the Lifetime Situation (LIFE) 256, and an associated FP 237. LIFE 256 and FP 237 are preferably updated to reflect these changes.") [Financial Position (FP)].

In response to Appellants' argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that

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any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971). In this case, both Moran and Kunzle are analogous prior art references both disclosing financial planning methods and systems.

**(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/Elda Milef/

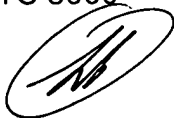
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